

Dexter Township
Washtenaw County
AUDITED FINANCIAL REPORT
March 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

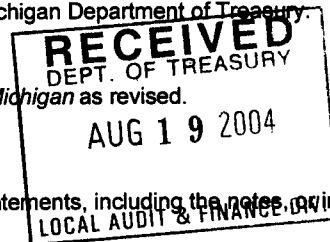
Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Dexter Township	County Washtenaw
Audit Date 3/31/04	Opinion Date 6/23/04	Date Accountant Report Submitted to State: 8/15/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations



You must check the applicable box for each item below.

- ☒ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Post, Smythe, Lutz and Ziel, CPA's LLP			
Street Address 1034 West Ann Arbor Trail	City Plymouth	State MI	ZIP 48170
Accountant Signature <i>Daniel R. Wellner CPA</i>		Date 8/15/04	

DEXTER TOWNSHIP

Washtenaw County, Michigan

Officials:

Supervisor	-	Pat Kelly
Clerk	-	Harley Rider
Treasurer	-	Julie A. Knight
Trustee	-	Michael Howard
Trustee	-	Libby Brushaber
2000 Census	-	5,248
2003 Taxable Valuation	-	\$228,640,853
Attorney	-	Keusch, Flintoft and Conlin
Auditor	-	Post, Smythe, Lutz and Ziel LLP

DEXTER TOWNSHIP
AUDITED FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2004

Table of Contents

INTRODUCTORY SECTION

Table of Contents

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

Exhibit

Independent Auditor's Report	1-2
Combined Statements - Overview:	
Combined Balance Sheet - All Fund Types and Account Groups	3-4
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – General and Special Revenue Funds	6-7
Notes to Financial Statements	8-20

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS

General Fund:

Balance Sheet	21
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	22
Statement of Detailed Expenditures - Budget and Actual.....	23-24

Special Revenue Funds:

Combining Balance Sheet	25
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	26
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	27-28

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND
ACCOUNT GROUPS - (Continued)

Exhibit

Debt Service Funds:

Combining Balance Sheet	29
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	30

Agency Funds:

Combining Balance Sheet	31
Statement of Changes in Assets and Liabilities - All Agency Funds	32
Tax Collection Agency Fund –Statement of Changes in Assets and Liabilities	33
Escrow Agency Fund - Statement of Changes in Assets and Liabilities	34

General Fixed Assets Account Group:

Schedule of General Fixed Assets	35
Schedule of Changes in General Fixed Assets	35

General Long-Term Debt Account Group:

Statement of General Long-Term Debt	36
---	----

Supporting
Schedules

Schedule of Indebtedness.....	37-39
Schedule of Taxes Levied, Collected and Returned Delinquent.....	40

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

POST, SMYTHE, LUTZ AND ZIEL LLP

Certified Public Accountants

PLYMOUTH

Dennis M. Siegner, C.P.A., C.V.A.
David R. Williamson, C.P.A.
Jane F. Wang, C.P.A.
Joseph N. Elder, C.P.A.

1034 W. ANN ARBOR TRAIL
PLYMOUTH, MICHIGAN 48170-1502

TELEPHONE: (734) 453-8770
FAX: (734) 453-0312

WAYNE

Frank W. Smythe, C.P.A.
Ronald H. Traskos, C.P.A.
Kathy Billings, C.P.A.

Marty C. Morrison, C.P.A.
Rana M. Emmons, C.P.A.
Jennifer A. Galofaro, C.P.A., C.V.A.
Susan H. Bertram, C.P.A.

Sharon Walz Duckworth, C.P.A.
Cari A. Ford, C.P.A.
Wendy Leung Lee, C.P.A.
Therese Mulholland, C.P.A.

June 23, 2004

Independent Auditor's Report

Board of Trustees
Dexter Township
Dexter, Michigan

We have audited the accompanying primary government financial statements of Dexter Township as of and for the year ended March 31, 2004 as listed in the table of contents. These financial statements are the responsibility of Dexter Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

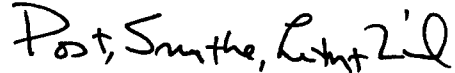
A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of Dexter Township as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

However, the primary government financial statements, because they do not include the financial data of component units of Dexter Township do not purport to, and do not, present fairly the financial position of Dexter Township as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The combining and individual fund and account group financial statements and supporting schedules and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of Dexter Township.

Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Respectfully,



POST, SMYTHE, LUTZ and ZIEL LLP
Certified Public Accountants

DEXTER TOWNSHIP
Combined Balance Sheet
All Fund Types and Account Groups
March 31, 2004

	Governmental Fund Types		
	General Fund	Special Revenue Funds	Debt Service Funds
<u>ASSETS</u>			
Cash	\$ 843,816	\$ 638,328	\$ 3,782,848
Special Assessments Receivable	-	-	1,616,350
Delinquent Taxes Receivable	14,136	45,859	35,980
Other Accounts Receivable	36,288	-	-
Due from Other Funds	15,656	-	-
Land	-	-	-
Buildings	-	-	-
Equipment	-	-	-
Amount Available for Long-Term Debt	-	-	-
Amount to be Provided for Long-Term Debt	-	-	-
Total Assets	<u>\$ 909,896</u>	<u>\$ 684,187</u>	<u>\$ 5,435,178</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts Payable	\$ 10,226	\$ -	\$ -
Due to Other Funds	-	15,656	-
Due to Other Governmental Units	-	-	5,087
Deposits	11,528	-	-
Bonds Payable	-	-	-
Deferred Revenue	-	-	1,616,350
Total Liabilities	<u>21,754</u>	<u>15,656</u>	<u>1,621,437</u>
Fund Equity:			
Investment in General Fixed Assets	-	-	-
Fund Balance:			
Reserved For Recycling	19,377	-	-
Reserved For Debt Service	-	-	3,813,741
Unreserved:			
Undesignated	868,765	668,531	-
Total Fund Equity	<u>888,142</u>	<u>668,531</u>	<u>3,813,741</u>
Total Liabilities and Fund Equity	<u>\$ 909,896</u>	<u>\$ 684,187</u>	<u>\$ 5,435,178</u>

Fiduciary Fund Type	Account Groups		Total Primary Government (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Agency Funds			
\$ 2,306	\$ -	\$ -	\$ 5,267,298
-	-	-	1,616,350
-	-	-	95,975
-	-	-	36,288
-	-	-	15,656
-	15,400	-	15,400
-	739,432	-	739,432
-	182,566	-	182,566
-	-	3,813,741	3,813,741
-	-	3,111,224	3,111,224
<u>\$ 2,306</u>	<u>\$ 937,398</u>	<u>\$ 6,924,965</u>	<u>\$ 14,893,930</u>
\$ -	\$ -	\$ -	\$ 10,226
-	-	-	15,656
5	-	-	5,092
2,301	-	-	13,829
-	-	6,924,965	6,924,965
-	-	-	1,616,350
<u>2,306</u>	<u>-</u>	<u>6,924,965</u>	<u>8,586,118</u>
-	937,398	-	937,398
-	-	-	19,377
-	-	-	3,813,741
-	-	-	1,537,296
<u>-</u>	<u>937,398</u>	<u>-</u>	<u>6,307,812</u>
<u>\$ 2,306</u>	<u>\$ 937,398</u>	<u>\$ 6,924,965</u>	<u>\$ 14,893,930</u>

DEXTER TOWNSHIP
Combined Statement of Revenues, Expenditures and
Changes in Fund Balance
All Governmental Fund Types
For the Year Ended March 31, 2004

	General Fund	Special Revenue Funds	Debt Service Funds	Total (Memorandum Only)
Revenues:				
General Property Taxes	\$ 198,031	\$ 642,228	\$ -	\$ 840,259
Special Assessment Tax	-	-	444,516	444,516
Intergovernmental - State	356,358	-	-	356,358
Licenses and Permits	13,267	-	-	13,267
Penal Fines	14,567	-	-	14,567
Refunds and Reimbursements	2,461	-	-	2,461
Interest	5,626	3,224	34,820	43,670
Charges for Services	123,216	-	-	123,216
Miscellaneous	37,421	-	(2,053)	35,368
Total Revenues	<u>750,947</u>	<u>645,452</u>	<u>477,283</u>	<u>1,873,682</u>
Expenditures:				
General Government	325,447	-	-	325,447
Planning/Zoning	95,325	-	-	95,325
Public Safety	42,768	-	-	42,768
Highways and Streets	41,700	508,759	-	550,459
Sanitation	20,926	-	-	20,926
Cultural/Recreation	1,150	-	-	1,150
Debt Service	67,070	-	797,271	864,341
Other Functions	18,078	-	-	18,078
Total Expenditures	<u>612,464</u>	<u>508,759</u>	<u>797,271</u>	<u>1,918,494</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>138,483</u>	<u>136,693</u>	<u>(319,988)</u>	<u>(44,812)</u>
Other Financing Sources (Uses):				
Operating Transfers In	-	50,578	-	50,578
Operating Transfers In - Component Unit	-	-	137,364	137,364
Operating Transfers Out	(50,578)	-	-	(50,578)
Total Other Financing Sources (Uses)	<u>(50,578)</u>	<u>50,578</u>	<u>137,364</u>	<u>137,364</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>87,905</u>	<u>187,271</u>	<u>(182,624)</u>	<u>92,552</u>
Fund Balance - April 1	<u>800,237</u>	<u>481,260</u>	<u>3,996,365</u>	<u>5,277,862</u>
Fund Balance - March 31	\$ <u>888,142</u>	\$ <u>668,531</u>	\$ <u>3,813,741</u>	\$ <u>5,370,414</u>

DEXTER TOWNSHIP
Combined Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General and Special Revenue Funds
For the Year Ended March 31, 2004

	<u>General Fund</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
General Property Taxes	\$ 197,792	\$ 198,031	\$ 239
Intergovernmental - State	363,949	356,358	(7,591)
Licenses and Permits	10,000	13,267	3,267
Penal Fines	20,000	14,567	(5,433)
Refunds and Reimbursements	300	2,461	2,161
Interest	9,600	5,626	(3,974)
Charges for Services	49,300	123,216	73,916
Miscellaneous	32,930	37,421	4,491
Total Revenues	<u>683,871</u>	<u>750,947</u>	<u>67,076</u>
Expenditures:			
General Government	318,678	325,447	(6,769)
Planning/Zoning	63,100	95,325	(32,225)
Public Safety	32,512	42,768	(10,256)
Highways and Streets	26,600	41,700	(15,100)
Sanitation	22,900	20,926	1,974
Cultural/Recreation	4,750	1,150	3,600
Debt Service	72,000	67,070	4,930
Other Functions	16,000	18,078	(2,078)
Total Expenditures	<u>556,540</u>	<u>612,464</u>	<u>(55,924)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>127,331</u>	<u>138,483</u>	<u>11,152</u>
Other Financing Sources (Uses):			
Operating Transfers In	-	-	-
Operating Transfers Out	<u>(50,578)</u>	<u>(50,578)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(50,578)</u>	<u>(50,578)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ <u>76,753</u>	87,905	\$ <u>11,152</u>
Fund Balance - April 1		<u>800,237</u>	
Fund Balance - March 31		\$ <u>888,142</u>	

Special Revenue Funds

<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 651,465	\$ 642,228	\$ (9,237)
-	-	-
-	-	-
-	-	-
3,620	3,224	(396)
-	-	-
-	-	-
<u>655,085</u>	<u>645,452</u>	<u>(9,633)</u>
-	-	-
498,763	508,759	(9,996)
-	-	-
-	-	-
-	-	-
<u>498,763</u>	<u>508,759</u>	<u>(9,996)</u>
156,322	136,693	(19,629)
50,578	50,578	-
-	-	-
<u>50,578</u>	<u>50,578</u>	<u>-</u>
 \$ <u>206,900</u>	 187,271	 \$ <u>(19,629)</u>
	<u>481,260</u>	
	<u>\$ 668,531</u>	

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

1. Summary of Significant Accounting Policies

Dexter Township operates under a Board of Trustees form of government and provides the following services as permitted by law: public safety (fire), cultural and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of Dexter Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

A. Scope of Reporting Entity

In accordance with the provisions of the Governmental Accounting Standards Board's Statement No. 14, "The Financial Reporting Entity," the financial statements of Dexter Township should contain all the Township funds, account groups and authorities for which the Township is financially accountable and the nature and significance of their relationship with the Township are such that exclusion would cause the Township's financial statements to be misleading or incomplete. Financial accountability exists if the Township appoints a voting majority of an organization's governing board, is either able to impose its will on another organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on the Township, or if an organization is fiscally dependent on the Township.

The following organization is a component unit of Dexter Township and should be included as a discretely presented component unit in the general purpose financial statements. However, it is not included because only the primary government's financial statements have been presented.

Multi Lake Water & Sewer Authority

*Financed through special assessment districts in both Lyndon and Dexter Townships. Dexter is responsible for 93.52% of the debt and operations.

The Authority was incorporated on October 4, 1994, under Public Act 233 of 1955, as amended. The purpose of the Authority is to acquire, operate, maintain and administer the sewage disposal systems and water supply systems constructed under the Authority's jurisdiction. Complete financial statements of the Multi Lake Water and Sewer Authority component unit may be obtained at the Multi Lake Water and Sewer Authority administrative offices, 12088 North Territorial Road, Dexter, Michigan, 48130.

The following organization is not part of Dexter Township and is excluded from the accompanying financial statements for the reasons stated:

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

1. Summary of Significant Accounting Policies – Continued

A. Scope of Reporting Entity – Continued

Portage and Base Lake Water & Sewer Authority

- * Financed through special assessment districts in each township.
- * Dexter Township does not appoint a voting majority.
- * Budgets are approved by the Authority Board.

The Portage and Base Lake Water & Sewer Authority was organized in 1988 under Act 233, P.A. of 1955 as a joint venture between Dexter Township, Hamburg Township, Putnam Township and Webster Township. The Authority was established to provide water and sewer services to the Portage and Base Lake residents. The Authority board is appointed by the legislative bodies of the aforementioned communities.

Dexter Township is responsible for 32.47% of the Authority's annual debt service, which is financed by special assessments on the benefiting property owners.

B. Basis of Presentation

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, and revenues and expenditures. The Township's resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund -- The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds -- The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments), that are restricted to expenditures for specified purposes.

Debt Service Funds -- The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest for special assessment levies when the government is obligated in some manner for the payment.

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

1. Summary of Significant Accounting Policies - Continued

B. Basis of Presentation – Continued

GOVERNMENTAL FUNDS – Continued

Capital Project Funds – The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by Proprietary and Trust Funds).

FIDUCIARY FUNDS

Trust and Agency Funds -- Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. This report contains only agency funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

General Fixed Assets Account Group -- This Account Group presents the fixed assets of the Township utilized in its general operations (non-proprietary fixed assets).

General Long-Term Debt Account Group -- This Account Group presents the balance of general obligation long-term debt which is not recorded in the other funds.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Also, basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized in the accounting period in which the fund liability is incurred.

D. Budgets and Budgetary Accounting

The Township follows the procedure in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). Public hearings are conducted at Township Hall to obtain taxpayer comments, and prior to March 31, the budget is legally enacted at the cost center basis through passage of a resolution. Formal budgetary integration was employed as a management control device during the year for the General and Special Revenue Funds. Budgets for these funds

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

1. Summary of Significant Accounting Policies – Continued

D. Budgets and Budgetary Accounting - Continued

were adopted at the department level on a basis consistent with generally accepted accounting principles (GAAP). The original budget was amended during the year in compliance with the applicable State laws. The budget to actual amounts in the financial statements represent the final budgeted amounts as amended by the Township.

E. Assets, Liabilities and Fund Equity

1. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain general fixed assets consisting of certain improvements including buildings, land, and equipment are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The fixed asset account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

2. Cash and Investments

Under State law, the Township is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury and commercial paper with certain investment grades.

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

1. Summary of Significant Accounting Policies – Continued

E. Assets, Liabilities and Fund Equity – Continued

2. Cash and Investments - Continued

Deposits (cash and certificates of deposit) are carried at cost which approximates market value. The carrying amount of deposits are separately displayed on the balance sheets as "Cash".

The carrying amount of the Township's deposits with financial institutions at March 31, 2004 was \$5,267,298 and the bank balance was \$5,328,558. The bank balance is categorized as follows:

Amounts insured by FDIC	\$ 450,000
Uncollateralized	<u>4,878,558</u>
Total Bank Balance	<u>\$5,328,558</u>

3. Deposits

In accordance with Governmental Accounting Standards Board (GASB) Statement 3, investments are classified into three categories of credit risk as follows:

Category 1: Insured or registered, or securities held by the Township or agent in the Township's name.

Category 2: Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Township's name.

Category 3: Uninsured and unregistered, with securities held by the counter party or by its trust department or agent but not in the Township's name.

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>Amount</u>	<u>Value</u>
Cash and Equivalents	\$450,000	\$2,513,018	\$ -	\$ 2,963,018	\$2,963,018
Cash Management					
Accounts	-	2,304,280	-	2,304,280	2,304,280
Total	<u>\$450,000</u>	<u>\$4,817,298</u>	<u>\$ -</u>	<u>\$5,267,298</u>	<u>\$5,267,298</u>

4. Due To and From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

1. Summary of Significant Accounting Policies - Continued

F. Revenues and Expenditures

1. Accumulated Unpaid Vacation and Sick Pay

The Dexter Township employee benefit package does not allow the accumulation of vacation or sick pay.

2. Property Taxes

Property tax assessments are determined (tax day) as of each December 31, and are levied on December 1 of the following year. The Township bills and collects its own property taxes and also taxes for the County and various school districts which are accounted for in the Tax Collection Agency Fund. Township property tax revenues are recognized when levied to the extent that they are measurable and available in accordance with the N.C.G.A. Interpretation 3 (Revenue Recognition - Property Taxes).

G. Total Columns on Combined Statements – Overview

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

H. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

2. Stewardship, Compliance and Accountability

A. Excess of Expenditures Over Appropriations in Budgetary Funds

Public Act 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amounts appropriated. During the year ended March 31, 2004 the Township incurred expenditures which were in excess of the amounts appropriated as follows:

	<u>Final Budget</u>	<u>Actual</u>	(Unfavorable) <u>Variance</u>
General Fund:			
General Government	\$318,678	\$325,447	\$ (6,769)
Planning/Zoning	63,100	95,325	(32,225)
Public Safety	32,512	42,768	(10,256)
Highways and Streets	26,600	41,700	(15,100)
Sanitation	22,900	20,926	1,974
Cultural/Recreation	4,750	1,150	3,600
Debt Service	72,000	67,070	4,930
Other Functions	<u>16,000</u>	<u>18,078</u>	<u>(2,078)</u>
Total Expenditures	<u>\$556,540</u>	<u>\$612,464</u>	<u>\$ (55,924)</u>
Police Fund	<u>\$236,763</u>	<u>\$241,522</u>	<u>\$ (4,759)</u>
Fire Fund	<u>\$262,000</u>	<u>\$267,237</u>	<u>\$ (5,237)</u>

B. Deficit Fund Balances/Retained Earnings:

The Township has no accumulated fund balance deficits.

C. Formal Adopted Budget

All budgetary funds had an adopted annual budget as required by Public Act 2 of 1968, (as amended). Also, during fiscal year 2003-2004 several budget amendments were made and are reflected in the financial statements.

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

3. Detail Notes on All Funds and Account Groups

A. Assets and Liabilities

1. Changes in General Fixed Assets

A summary of General Fixed Assets is as follows:

	Balance April 1, 2003	Additions	Balance March 31, 2004
Land	\$ 15,400	\$ -	\$ 15,400
Building	739,432	-	739,432
Equipment	171,977	10,589	182,566
Total Fixed Assets	<u>\$926,809</u>	<u>\$10,589</u>	<u>\$937,398</u>

2. Interfund Receivables and Payables

The amounts of interfund receivables and payables are as follows:

<u>Funds</u>	<u>Interfund Receivable</u>	<u>Funds</u>	<u>Interfund Payable</u>
General	<u>\$15,656</u>	Fire	\$ 1,818
		Police	13,838
			<u>\$15,656</u>

3. Long-Term Debt

The following is a summary of Long-Term Debt transactions of the Township for the year ended March 31, 2004.

	Total Long-Term Debt 4/1/03	New Debt	Retirement	Total Long-Term Debt 3/31/04
Township Share of Portage and Base Lakes Sewer Project: Washtenaw County Sewage Disposal System - I	\$ 79,551	\$ -	\$ 38,964	\$ 40,587
- III	25,976	-	12,988	12,988
Michigan State Revolving Loan Fund Program	399,380	-	199,690	199,690
Township Share of Multi Lake Sanitary Sewer System: 1995 Bonds	280,920	-	244,220	36,700
1999 Refunding Bonds	6,530,000	-	-	6,530,000
Town Hall Installment Loan	165,000	-	60,000	105,000
	<u>\$7,480,827</u>	<u>\$ -</u>	<u>\$ 555,862</u>	<u>\$6,924,965</u>

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

3. Detail Notes on All Funds and Account Groups - Continued

A. Assets and Liabilities - Continued

3. Long-Term Debt - Continued

The total principal and interest requirements for the years ended March 31, 2005 through 2009 and thereafter for all debt outstanding as of March 31, 2004 are as follows:

2005	\$1,005,612
2006	734,783
2007	696,552
2008	706,733
2009	783,666
Thereafter	<u>4,903,424</u>
Total Principal and	
Interest Requirements	8,830,770
Less: Interest	<u>1,905,805</u>
	<u>\$6,924,965</u>

Total interest expense was \$307,142 for the year ended March 31, 2004.

The following is a summary of Long Term Debt outstanding as of March 31, 2004.

	<u>Interest Rate</u>	<u>Maturing Through</u>	<u>Principal Outstanding</u>
Township Share of Portage and Base Lakes Sewer Project:			
Washtenaw County Sewage Disposal System - Series I	6.00%	2004	\$ 40,587
Washtenaw County Sewage Disposal System - Series III	6.00%	2004	12,988
Michigan State Revolving Loan Fund Program	2.00%	2004	199,690
Township Share of Multi Lake Sanitary Sewer System:			
1995 Bonds	5.125-5.20%	2014	36,700
1999 Refunding Bonds	3.75-4.80%	2015	6,530,000
Town Hall Installment Loan	5.05%	2006	<u>105,000</u>
			<u>\$6,924,965</u>

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

3. Detail Notes on All Funds and Account Groups - Continued

A. Assets and Liabilities - Continued

4. Detail Listing of Fund Balances for Reserved and Unreserved Balances

A detailed description of Fund Balance at March 31, 2004 is presented below:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Reserved for Recycling	\$ 19,377	\$ -	\$ -	\$ 19,377
Reserved for Debt Service	-	-	3,813,741	3,813,741
Unreserved, Undesignated	<u>868,765</u>	<u>668,531</u>	-	<u>1,537,296</u>
Total Fund Balance	<u>\$888,142</u>	<u>\$668,531</u>	<u>\$3,813,741</u>	<u>\$5,370,414</u>

5. Retirement Program – Defined Benefit Plan

a. Plan Description

The Township contributes to the Michigan Municipal Employees' Retirement System (MMERS), which is an agent multiple employer retirement system that covers all full time nonunion employees of the Township. The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, nonduty-connected death and postretirement adjustments to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by a certain percentage based on the benefit program in effect as of the date of termination of membership times the final average compensation (FAC). The most recent actuarial data available was for the actuarial valuation as of December 31, 2003.

MERS was organized pursuant to Section 12a of Act #156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a)), as amended, State of Michigan. MERS is regulated under Act No. 427 of the Public Acts of 1984, sections of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 447 N. Canal St., Lansing, Michigan 48917-9755.

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

3. Detail Notes on All Funds and Account Groups - Continued

A. Assets and Liabilities - Continued

5. Retirement Program – Defined Benefit Plan - Continued

b. Funding Policy

The obligation to contribute to and maintain the system for these employees was established by the Township's personnel policy. The Township is required to contribute at an actuarially determined rate; the current rate was 5.04 percent of annual compensation at December 31, 2003.

c. Contributions

During the fiscal year ended March 31, 2004, the Township's contributions totaling \$7,194 were made in accordance with contribution requirements determined by an actuarial valuation of the plan as of December 31, 2001. The employer contribution rate has been determined based on the entry age normal cost funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability over 30 years. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member's retirement to pay for his projected benefit. Significant actuarial assumptions used include a long-term investment yield rate of 8% and annual salary increases of 4.5% based on an age-related scale to reflect merit, longevity, and promotional salary increases.

Trend Information

Fiscal Year Ended March 31,	Valuation Date Dec. 31	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1999	1996	3,968	100%	-0-
2000	1997	8,323	100%	-0-
2001	1998	9,318	100%	-0-
2002	1999	7,483	100%	-0-
2003	2000	7,944	100%	-0-
2004	2001	7,194	100%	-0-

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

3. Detail Notes on All Funds and Account Groups – Continued

A. Assets and Liabilities – Continued

5. Retirement Program – Defined Benefit Plan - Continued

d. Required Supplementary Information for GASB 27

Actuarial Valuation Date	Schedule of Funding Progress				Covered Payroll	UAAL as a Percent of Covered Payroll
	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Underfunded AAL (UAAL)	Funded Ratio		
12/31/97	\$131,101	\$187,050	\$55,949	70%	\$ 72,962	77%
12/31/98	164,373	243,374	79,001	68	100,067	79
12/31/99	203,401	252,416	49,015	81	122,106	40
12/31/00	242,907	304,422	61,515	80	136,351	45
12/31/01	269,103	324,899	55,796	83	144,678	39
12/31/02	285,168	337,699	52,531	84	167,910	31
12/31/03	312,188	372,279	60,091	84	157,546	38

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2002, the latest actuarial valuation, follows:

Actuarial cost method	Entry age normal cost
Amortization method	Level percent
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	4.50-8.66%
Includes inflation at 4.5%	
Cost of living adjustments	None

B. Revenues and Expenditures

Revenue: General Property Taxes

Property taxes attached as an enforceable lien on property as of December 31. Taxes are levied on December 1 of the following year. The Township bills and collects its own property taxes and also taxes for the County and various school districts which are accounted for in the Tax Collection Fund (Trust and Agency). The Township is permitted by State law to levy taxes up to \$1.16 per \$1,000 of equalized valuation for general government services other than the payment of principal and interest on long-term debt and unlimited amounts for the appropriate payment of principal and interest on long-term debt subject to constitutional limitations. The Township levied an operating millage of \$.8644, a police millage of \$1.8849, (maximum allowable = 1.9133) and a fire millage of \$.9192 on the 2003 tax roll.

DEXTER TOWNSHIP
Notes to Financial Statements
March 31, 2004

3. Detail Notes on All Funds and Account Groups – Continued

B. Revenues and Expenditures - Continued

The Township entered into an agreement with Washtenaw County Board of Commissioners for the prepayment of delinquent real property taxes. The Board of Commissioners has established a "Washtenaw County Delinquent Revolving Fund". The purpose of this fund is to allow the County Treasurer to pay each taxing unit any delinquent real property taxes which are due on settlement day with the Township Treasurer. To raise sufficient monies to finance the Revolving Fund, the County sells notes pledging the anticipated collection of the taxes as security. These taxes have been recorded as revenue for the current year.

4. Risk Management

Dexter Township is a member of the Michigan Township Participating Plan for its property and casualty insurance coverage and maintains commercial insurance coverage for workers compensation. The Township believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this coverage in any of the past three fiscal years.

5. Litigation

The Township is involved in various litigation primarily arising in the normal course of business. In the opinion of the Township officials and the Township attorney, the Township's liability, if any, under any pending litigation would not materially affect its financial condition in the forthcoming year.

6. GASB Statement No. 34 Reporting Change

For the fiscal year beginning April 1, 2004 through March 31, 2005, the Township plans to adopt Governmental Accounting Standards Board (GASB) Statement No. 34. This will result in a change in the financial statement reporting model. Governmental activities will be reported on a budgetary basis as well as on a full accrual basis of accounting. This may result in prior period adjustments. However, pro forma information is not currently available to project the effect of the reporting change.

FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

The General Fund is used to account for resources, traditionally associated with governments, which are not required to be accounted for in another fund.

DEXTER TOWNSHIP
General Fund
Balance Sheet
March 31, 2004
With Comparative Amounts for March 31, 2003

<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Cash	\$ 843,816	\$ 737,800
Delinquent Taxes Receivable	14,136	10,954
Accounts Receivable	32,329	75,455
Interest Receivable	3,959	3,959
Due from Other Funds	15,656	5,100
Total Assets	<u>\$ 909,896</u>	<u>\$ 833,268</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts Payable	\$ 10,226	\$ 26,834
Accrued Liabilities & Deposits	11,528	6,197
Total Liabilities	<u>21,754</u>	<u>33,031</u>
Fund Balance:		
Reserved for Recycling	19,377	29,861
Unreserved:		
Undesignated	868,765	770,376
Total Fund Balance	<u>888,142</u>	<u>800,237</u>
Total Liabilities and Fund Balance	<u>\$ 909,896</u>	<u>\$ 833,268</u>

DEXTER TOWNSHIP
General Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended March 31, 2004
With Comparative Actual Amounts for the Year Ended March 31, 2003

	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual 2003
Revenues:				
General Property Taxes	\$ 197,792	\$ 198,031	\$ 239	\$ 186,167
Intergovernmental-State	363,949	356,358	(7,591)	384,937
Licenses and Permits	10,000	13,267	3,267	10,775
Penal Fines	20,000	14,567	(5,433)	20,477
Refunds and Reimbursements	300	2,461	2,161	1,681
Interest	9,600	5,626	(3,974)	10,420
Charges for Services	49,300	123,216	73,916	117,680
Miscellaneous	32,930	37,421	4,491	34,479
Total Revenues	<u>683,871</u>	<u>750,947</u>	<u>67,076</u>	<u>766,616</u>
Expenditures:				
General Government	318,678	325,447	(6,769)	337,670
Planning/Zoning	63,100	95,325	(32,225)	114,465
Public Safety	32,512	42,768	(10,256)	33,290
Highways and Streets	26,600	41,700	(15,100)	50,939
Sanitation	22,900	20,926	1,974	23,170
Cultural/Recreation	4,750	1,150	3,600	3,950
Debt Service	72,000	67,070	4,930	70,150
Other Functions	16,000	18,078	(2,078)	15,410
Total Expenditures	<u>556,540</u>	<u>612,464</u>	<u>(55,924)</u>	<u>649,044</u>
Excess of Revenues Over Expenditures	127,331	138,483	11,152	117,572
Other Financing Uses:				
Operating Transfer Out	<u>50,578</u>	<u>50,578</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	\$ <u>76,753</u>	87,905	\$ <u>11,152</u>	117,572
Fund Balance - April 1		<u>800,237</u>		<u>682,665</u>
Fund Balance - March 31		\$ <u>888,142</u>		\$ <u>800,237</u>

DEXTER TOWNSHIP
General Fund
Statement of Detailed Expenditures
Budget and Actual
For the Year Ended March 31, 2004
With Comparative Actual Amounts for the Year Ended March 31, 2003

	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual 2003
General Government:				
Township Board:				
Salaries and Wages	\$ 10,380	\$ 10,080	\$ 300	\$ 10,230
Other	650	156	494	-
Total Township Board	11,030	10,236	794	10,230
Supervisor:				
Salaries and Wages	22,680	22,680	-	22,680
Other	1,800	737	1,063	1,496
Total Supervisor	24,480	23,417	1,063	24,176
Elections:				
Salaries and Wages	2,600	-	2,600	6,176
Other	2,925	-	2,925	6,744
Total Elections	5,525	-	5,525	12,920
Assessing:				
Salaries and Wages	10,000	13,515	(3,515)	6,241
Contractual Services	22,980	26,677	(3,697)	22,780
Other	2,100	2,358	(258)	2,285
Total Assessing	35,080	42,550	(7,470)	31,306
Clerk:				
Salaries and Wages	38,680	36,109	2,571	40,682
Capital Outlay	-	-	-	2,297
Other	2,990	2,526	464	3,669
Total Clerk	41,670	38,635	3,035	46,648
Board of Review:				
Salaries and Wages	1,500	1,500	-	1,900
Other	400	316	84	330
Total Board of Review	1,900	1,816	84	2,230
Treasurer:				
Salaries and Wages	38,680	33,295	5,385	30,210
Other	6,000	7,243	(1,243)	3,832
Total Treasurer	44,680	40,538	4,142	34,042
Building and Grounds:				
Other	14,952	19,366	(4,414)	26,635
Total Building and Grounds	14,952	19,366	(4,414)	26,635
Cemetery:				
Other	1,700	2,505	(805)	1,670
Total Cemetery	1,700	2,505	(805)	1,670
Other:				
Salaries and Wages	36,561	35,580	981	39,930
Unallocated Fringes	11,800	12,797	(997)	9,783
Other	81,800	87,418	(5,618)	93,195
Capital Outlay	7,500	10,589	(3,089)	4,905
Total Other	137,661	146,384	(8,723)	147,813
Total General Government	318,678	325,447	(6,769)	337,670

(Continued)

DEXTER TOWNSHIP
General Fund
Statement of Detailed Expenditures
Budget and Actual
For the Year Ended March 31, 2004
With Comparative Actual Amounts for the Year Ended March 31, 2003

	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual 2003
(Continued)				
Planning:				
Planning Commission:				
Salaries and Wages	\$ 11,800	\$ 8,870	\$ 2,930	\$ 9,930
Other	41,500	78,493	(36,993)	92,049
Total Planning Commission	53,300	87,363	(34,063)	101,979
Zoning Board of Appeals:				
Salaries and Wages	5,500	4,839	661	5,930
Other	4,300	3,123	1,177	6,556
Total Zoning Board of Appeals	9,800	7,962	1,838	12,486
Total Planning	63,100	95,325	(32,225)	114,465
Public Safety-Ordinance:				
Salaries and Wages	29,462	37,672	(8,210)	30,143
Other	3,050	5,096	(2,046)	3,147
Total Public Safety-Ordinance	32,512	42,768	(10,256)	33,290
Highways and Streets:				
Road Maintenance Contracts	16,000	10,678	5,322	42,513
Private Roads	10,600	31,022	(20,422)	8,426
Total Highways and Streets	26,600	41,700	(15,100)	50,939
Solid Waste:				
Other	8,000	6,261	1,739	7,382
Total Solid Waste	8,000	6,261	1,739	7,382
Recycling:				
Other	14,900	14,665	235	15,788
Total Recycling	14,900	14,665	235	15,788
Cultural/Recreation:				
Salaries and Wages	1,800	900	900	1,800
Other	2,950	250	2,700	2,150
Total Cultral/Recreation	4,750	1,150	3,600	3,950
Debt Service:				
Other	72,000	67,070	4,930	70,150
Total Debt Service	72,000	67,070	4,930	70,150
Other Functions- Insurance:				
Other	16,000	18,078	(2,078)	15,410
Total Other Functions-Insurance	16,000	18,078	(2,078)	15,410
Total Expenditures	\$ 556,540	\$ 612,464	\$ (55,924)	\$ 649,044

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

DEXTER TOWNSHIP
Special Revenue Funds
Combining Balance Sheet
March 31, 2004
With Comparative Totals for March 31, 2003

	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
<u>ASSETS</u>				
Cash	\$ 638,328	\$ -	\$ 638,328	\$ 450,465
Due from County	<u>30,827</u>	<u>15,032</u>	<u>45,859</u>	<u>35,895</u>
Total Assets	\$ <u><u>669,155</u></u>	\$ <u><u>15,032</u></u>	\$ <u><u>684,187</u></u>	\$ <u><u>486,360</u></u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Due to Other Funds	1,818	13,838	15,656	5,100
Fund Balance:				
Undesignated	<u>667,337</u>	<u>1,194</u>	<u>668,531</u>	<u>481,260</u>
Total Liabilities and Fund Balance	\$ <u><u>669,155</u></u>	\$ <u><u>15,032</u></u>	\$ <u><u>684,187</u></u>	\$ <u><u>486,360</u></u>

DEXTER TOWNSHIP
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2004
With Comparative Totals for the Year Ended March 31, 2003

	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Totals</u>	
			<u>2004</u>	<u>2003</u>
<u>Revenues:</u>				
Property Taxes	\$ 431,744	210,484	\$ 642,228	\$ 610,050
Interest Earned	3,187	37	3,224	3,443
Total Revenues	<u>434,931</u>	<u>210,521</u>	<u>645,452</u>	<u>613,493</u>
<u>Expenditures:</u>				
Public Safety	<u>241,522</u>	<u>267,237</u>	<u>508,759</u>	<u>459,753</u>
Excess (Deficiency) of Revenues Over Expenditures	193,409	(56,716)	136,693	153,740
Other Financing Sources: Operating Transfers In	<u>-</u>	<u>50,578</u>	<u>50,578</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Uses	193,409	(6,138)	187,271	153,740
Fund Balance - April 1	<u>473,928</u>	<u>7,332</u>	<u>481,260</u>	<u>327,520</u>
Fund Balance - March 31	<u>\$ 667,337</u>	<u>\$ 1,194</u>	<u>\$ 668,531</u>	<u>\$ 481,260</u>

DEXTER TOWNSHIP
Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended March 31, 2004

	Police Fund		
	Final Budget	Actual	Variance- Favorable (Unfavor.)
<u>Revenues:</u>			
Property Taxes	\$ 440,043	\$ 431,744	\$ (8,299)
Interest Earned	3,620	3,187	(433)
Total Revenues	443,663	434,931	(8,732)
<u>Expenditures:</u>			
Public Safety	236,763	241,522	(4,759)
Excess (Deficiency) of Revenues Over Expenditures	206,900	193,409	(13,491)
Other Financing Sources: Operating Transfer In	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	\$ 206,900	193,409	\$ (13,491)
Fund Balance - April 1		473,928	
Fund Balance - March 31		\$ 667,337	

Fire Fund			Total		
Final Budget	Actual	Variance- Favorable (Unfavor.)	Final Budget	Actual	Variance- Favorable (Unfavor.)
\$ 211,422	\$ 210,484	\$ (938)	\$ 651,465	\$ 642,228	\$ (9,237)
-	37	37	3,620	3,224	(396)
211,422	210,521	(901)	655,085	645,452	(9,633)
262,000	267,237	(5,237)	498,763	508,759	(9,996)
(50,578)	(56,716)	(6,138)	156,322	136,693	(19,629)
50,578	50,578	-	50,578	50,578	-
\$ -	(6,138)	\$ (6,138)	\$ 206,900	187,271	\$ (19,629)
	7,332			481,260	
	\$ 1,194			\$ 668,531	

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bonds principal and interest for special assessment levies when the government is obligated in some manner for the payment.

DEXTER TOWNSHIP
Debt Service Funds
Combining Balance Sheet
March 31, 2004
With Comparative Totals for March 31, 2003

<u>ASSETS</u>	Portage and Base Lakes	Multi Lake Water and Sewer	Totals	
			2004	2003
Cash	\$ 228,630	\$ 3,554,218	\$ 3,782,848	\$ 3,945,906
Special Assessments Receivable	-	1,616,350	1,616,350	1,951,889
Delinquent Taxes Receivable	10,859	25,121	35,980	55,546
Total Assets	\$ <u>239,489</u>	\$ <u>5,195,689</u>	\$ <u>5,435,178</u>	\$ <u>5,953,341</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Due to Other Units	\$ 5,087	\$ -	\$ 5,087	\$ 5,087
Deferred Revenue	-	1,616,350	1,616,350	1,951,889
Total Liabilities	<u>5,087</u>	<u>1,616,350</u>	<u>1,621,437</u>	<u>1,956,976</u>
Fund Balance:				
Reserved for Debt Service	<u>234,402</u>	<u>3,579,339</u>	<u>3,813,741</u>	<u>3,996,365</u>
Total Liabilities and Fund Balance	\$ <u>239,489</u>	\$ <u>5,195,689</u>	\$ <u>5,435,178</u>	\$ <u>5,953,341</u>

DEXTER TOWNSHIP
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended March 31, 2004
With Comparative Totals for the Year Ended March 31, 2003

	Portage and Base Lakes	Multi Lake Water and Sewer	Totals	
			2004	2003
Revenues:				
Special Assessment Tax	\$ 133,788	\$ 310,728	\$ 444,516	\$ 495,265
Other	(2,053)	-	(2,053)	2,566,580
Interest Earned	1,694	33,126	34,820	23,162
Total Revenues	<u>133,429</u>	<u>343,854</u>	<u>477,283</u>	<u>3,085,007</u>
Expenditures:				
Debt Service:				
Principal	251,643	120,840	372,483	361,284
Interest	10,764	412,974	423,738	319,808
Agent Fees	422	628	1,050	1,049
Total Expenditures	<u>262,829</u>	<u>534,442</u>	<u>797,271</u>	<u>682,141</u>
Excess (Deficiency) of Revenues Over Expenditures	(129,400)	(190,588)	(319,988)	2,402,866
Other Financing Sources:				
Operating Transfers In - Component Unit	<u>-</u>	<u>137,364</u>	<u>137,364</u>	<u>177,350</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(129,400)	(53,224)	(182,624)	2,580,216
Fund Balance - April 1	<u>363,802</u>	<u>3,632,563</u>	<u>3,996,365</u>	<u>1,416,149</u>
Fund Balance - March 31	\$ <u><u>234,402</u></u>	\$ <u><u>3,579,339</u></u>	\$ <u><u>3,813,741</u></u>	\$ <u><u>3,996,365</u></u>

AGENCY FUNDS

Tax Collection Fund

The Township, acting primarily as a collection agent for itself and other governmental units, records tax collections and other funds received and their distributions to the proper parties.

Escrow Fund

The fund in which the Township records deposits and other funds until distribution.

DEXTER TOWNSHIP
Agency Funds
Combining Balance Sheet
March 31, 2004
With Comparative Totals for March 31, 2003

	Tax Collection Fund	Escrow Fund	Total	
			2004	2003
<u>ASSETS</u>				
Cash	\$ <u>5</u>	\$ <u>2,301</u>	\$ <u>2,306</u>	\$ <u>5,565</u>
<u>LIABILITIES</u>				
Due to Other Units	\$ 5	\$ -	\$ 5	\$ 5
Deposits/Refunds	<u>-</u>	<u>2,301</u>	<u>2,301</u>	<u>5,560</u>
Total Liabilities	\$ <u>5</u>	\$ <u>2,301</u>	\$ <u>2,306</u>	\$ <u>5,565</u>

DEXTER TOWNSHIP
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended March 31, 2004

	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
<u>ASSETS</u>				
Cash	\$ <u>5,565</u>	\$ <u>7,806,659</u>	\$ <u>7,809,918</u>	\$ <u>2,306</u>
<u>LIABILITIES</u>				
Due to General Fund	\$ -	\$ 1,143,559	\$ 1,143,559	\$ -
Due to County	-	1,176,457	1,176,457	-
Due to State - SET	-	1,187,444	1,187,444	-
Due to Washtenaw Community College	-	763,316	763,316	-
Due to Intermediate Schools: Washtenaw	-	813,429	813,429	-
Livingston	-	31,822	31,822	-
Due to Schools: Chelsea School District	-	884,842	884,842	-
Pinckney School District	-	170,817	170,817	-
Dexter School District	-	1,386,720	1,386,720	-
Due to Dexter Library	-	53,010	53,010	-
Due to Chelsea Library	-	154,477	154,477	-
Due to Other Units	5	20,194	20,194	5
Deposits/Refunds	<u>5,560</u>	<u>20,572</u>	<u>23,831</u>	<u>2,301</u>
Total Liabilities	\$ <u>5,565</u>	\$ <u>7,806,659</u>	\$ <u>7,809,918</u>	\$ <u>2,306</u>

DEXTER TOWNSHIP
Tax Collection Agency Fund
Statement of Changes in Assets and Liabilities
For the Year Ended March 31, 2004

	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
<u>ASSETS</u>				
Cash	\$ <u>5</u>	\$ <u>7,786,087</u>	\$ <u>7,786,087</u>	\$ <u>5</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ -	\$ 1,143,559	\$ 1,143,559	\$ -
Due to County	-	1,176,457	1,176,457	-
Due to State - SET	-	1,187,444	1,187,444	-
Due to Washtenaw Community College	-	763,316	763,316	-
Due to Intermediate Schools: Washtenaw	-	813,429	813,429	-
Livingston	-	31,822	31,822	-
Due to Schools: Chelsea School District	-	884,842	884,842	-
Pinckney School District	-	170,817	170,817	-
Dexter School District	-	1,386,720	1,386,720	-
Due to Dexter Library	-	53,010	53,010	-
Due to Chelsea Library	-	154,477	154,477	-
Due to Other Units/Refunds	<u>5</u>	<u>20,194</u>	<u>20,194</u>	<u>5</u>
Total Liabilities	\$ <u>5</u>	\$ <u>7,786,087</u>	\$ <u>7,786,087</u>	\$ <u>5</u>

DEXTER TOWNSHIP
Escrow Agency Fund
Statement of Changes in Assets and Liabilities
For the Year Ended March 31, 2004

	Balance April 1, 2003	Additions	Deductions	Balance March 31, 2004
<u>ASSETS</u>				
Cash	\$ <u>5,560</u>	\$ <u>20,572</u>	\$ <u>23,831</u>	\$ <u>2,301</u>
<u>LIABILITIES</u>				
Deposits	\$ <u>5,560</u>	\$ <u>20,572</u>	\$ <u>23,831</u>	\$ <u>2,301</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Group of Accounts represents accumulated expenditures by the Township for capital assets and improvements. Included are buildings, parking lots, land, furniture and equipment and other items. No provision has been made for depreciation nor has any loss in value, which may have occurred since acquisition, been recognized in the accounts.

DEXTER TOWNSHIP
General Fixed Assets Account Group
Schedule of General Fixed Assets
March 31, 2004
With Comparative Amounts for March 31, 2003

	<u>2004</u>	<u>2003</u>
General Fixed Assets:		
Land	\$ 15,400	\$ 15,400
Buildings	739,432	739,432
Equipment	<u>182,566</u>	<u>171,977</u>
Total General Fixed Assets	\$ <u><u>937,398</u></u>	\$ <u><u>926,809</u></u>
Investment in General Fixed Assets	\$ <u><u>937,398</u></u>	\$ <u><u>926,809</u></u>

DEXTER TOWNSHIP
General Fixed Assets Account Group
Schedule of Changes in General Fixed Assets
For the Year Ended March 31, 2004

	<u>Balance April 1, 2003</u>	<u>Additions (Deductions)</u>	<u>Balance March 31, 2004</u>
Land	\$ 15,400	\$ -	\$ 15,400
Township Hall - Cost Including Painting	25,161	-	25,161
- Carpeting and Drapery	995	-	995
- Improvements	68,724	-	68,724
- Building Addition	644,552	-	644,552
Machines and Equipment	18,125	-	18,125
Election Equipment	26,923	-	26,923
Office Furniture and Equipment	84,116	-	84,116
Computer Equipment	39,436	10,589	50,025
Signs	<u>3,377</u>	<u>-</u>	<u>3,377</u>
Total General Fixed Assets	\$ <u><u>926,809</u></u>	\$ <u><u>10,589</u></u>	\$ <u><u>937,398</u></u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt Account Group is used to record and fairly present the long-term obligations of the Township which are not accounted for in the other funds.

DEXTER TOWNSHIP
General Long-Term Debt Account Group
Statement of General Long-Term Debt
March 31, 2004
With Comparative Amounts for March 31, 2003

	<u>2004</u>	<u>2003</u>
Amount Available for General Long-Term Debt	\$ 3,813,741	\$ 3,996,365
Amount to be Provided for General Long-Term Debt	<u>3,111,224</u>	<u>3,484,462</u>
Total Available and to be Provided	<u>\$ 6,924,965</u>	<u>\$ 7,480,827</u>
General Long-Term Debt Payable:		
Washtenaw County Sewage Disposal System		
Series I (Sewer System No. 12)	\$ 40,587	\$ 79,551
Series III (Sewer System No. 12)	12,988	25,976
Michigan Municipal Bond Authority		
Michigan State Revolving Loan Fund Program	199,690	399,380
Multi Lake Sanitary Sewer System Bonds	36,700	280,920
Multi Lake Sanitary Sewer System Refunding Bonds	6,530,000	6,530,000
Town Hall Installment Loan	<u>105,000</u>	<u>165,000</u>
Total General Long-Term Debt Payable	<u>\$ 6,924,965</u>	<u>\$ 7,480,827</u>

DEXTER TOWNSHIP
Schedule of Indebtedness
March 31, 2004

Portage and Base Lakes Sewer Project
Washtenaw County Sewage Disposal System Bonds
Series I (Sewer System No. 12)
Bonds Dated: June 1, 1990
Amount of Issue: \$1,500,000

Interest Rate	Date of Maturity	Total Issue		Dexter Township 32.47%	
		Principal Amount	Interest Payable	Principal Amount	Interest Payable
6.00%	7/1/04	\$ 125,000	\$ 3,750	\$ 40,587	\$ 1,218

Portage and Base Lakes Sewer Project
Washtenaw County Sewage Disposal System Bonds
Series III (Sewer System No. 12)
Bonds Dated: March 1, 1994
Amount of Issue: \$400,000

Interest Rate	Date of Maturity	Total Issue		Dexter Township 32.47%	
		Principal Amount	Interest Payable	Principal Amount	Interest Payable
6.00%	7/1/04	\$ 40,000	\$ 1,200	\$ 12,988	\$ 390

Portage and Base Lakes Sewer Project
Michigan Municipal Bond Authority
Michigan State Revolving Loan Fund Program
Bonds Dated: December 28, 1990
Amount of Issue: \$7,600,000

Interest Rate	Date of Maturity	Total Issue		Dexter Township 32.47%	
		Principal Amount	Interest Payable	Principal Amount	Interest Payable
2.00%	10/1/04	\$ 615,000	\$ 6,150	\$ 199,690	\$ 1,997

(continued)

DEXTER TOWNSHIP
Schedule of Indebtedness
March 31, 2004

Multi Lake Sanitary Sewer System Bonds
Bonds Dated: November 1, 1995
Amount of Issue: \$8,900,000

Interest Rate	Date of Maturity	Total Issue		Dexter Township	
		Principal Amount	Interest Payable	Principal Amount	Interest Payable
5.125%	05/1/04	\$ 35,000	\$ 18,913	\$ 4,220	\$ 1,752
5.125	05/1/05	35,000	17,119	4,220	1,535
5.125	05/1/06	35,000	15,325	4,220	1,319
5.125	05/1/07	35,000	13,532	4,220	1,103
5.125	05/1/08	35,000	11,739	4,220	888
5.125	05/1/09	35,000	9,945	4,220	671
5.125	05/1/10	35,000	8,151	4,220	455
5.125	05/1/11	35,000	6,357	4,220	250
5.200	05/1/12	35,000	4,550	980	127
5.200	05/1/13	35,000	2,730	980	76
5.200	05/1/14	35,000	910	980	25
		<u>385,000</u>	<u>109,271</u>	<u>36,700</u>	<u>8,201</u>

Multi Lake Sanitary Sewer System Refunding Bonds
Bonds Dated: March 1, 1999
Amount of Issue: \$6,530,000

Interest Rate	Date of Maturity	Total Issue		Dexter Township	
		Principal Amount	Interest Payable	Principal Amount	Interest Payable
3.750%	05/1/04	\$ 405,000	\$ 273,856	\$ 405,000	\$ 273,856
3.850	05/1/05	425,000	258,081	425,000	258,081
3.950	05/1/06	450,000	241,013	450,000	241,013
4.050	05/1/07	500,000	222,000	500,000	222,000
4.100	05/1/08	500,000	201,625	500,000	201,625
4.200	05/1/09	600,000	178,775	600,000	178,775
4.300	05/1/10	600,000	153,275	600,000	153,275
4.400	05/1/11	600,000	127,175	600,000	127,175
4.500	05/1/12	600,000	100,475	600,000	100,475
4.600	05/1/13	600,000	73,175	600,000	73,175
4.700	05/1/14	625,000	44,688	625,000	44,688
4.800	05/1/15	625,000	15,000	625,000	15,000
		<u>6,530,000</u>	<u>1,889,138</u>	<u>6,530,000</u>	<u>1,889,138</u>
Total Sewer Debt		\$ <u>7,695,000</u>	\$ <u>2,009,509</u>	\$ <u>6,819,965</u>	\$ <u>1,900,944</u>

(continued)

DEXTER TOWNSHIP
Schedule of Indebtedness
March 31, 2004

Town Hall Addition - Installment Loan
Dated December 4, 2000
Loan Amount \$300,000
Payments due as follows:

<u>Interest</u> <u>Rate</u>	<u>Maturing</u> <u>Through Fiscal</u> <u>Years Ending</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Payable</u>
5.05%	3/31/2005	\$ 60,000	\$ 3,914
5.05	3/31/2006	45,000	947
		<u>105,000</u>	<u>4,861</u>
Total Schedule of Indebtedness		\$ <u>6,924,965</u>	\$ <u>1,905,805</u>

STATISTICAL SECTION

DEXTER TOWNSHIP
Schedule of Taxes Levied, Collected and Returned Delinquent
2003 Tax Roll
March 31, 2004

Taxable Valuation: \$ 228,640,853

	<u>Final Levy</u>	<u>Returned Delinquent</u>	<u>Collections</u>	<u>Percent Collected</u>
Washtenaw County	\$ 1,276,233	\$ 92,185	\$ 1,184,048	92.78%
Washtenaw Community College	876,660	63,323	813,337	92.78%
Intermediate School Districts:				
Washtenaw	654,932	47,217	607,715	92.79%
Livingston	34,371	2,553	31,818	92.57%
School Districts:				
Chelsea Schools	970,657	85,815	884,842	91.16%
Dexter Community	1,492,264	105,544	1,386,720	92.93%
Pinckney Community	189,148	18,349	170,799	90.30%
State Education Tax	1,143,197	30,879	1,112,318	97.30%
Dexter Township	838,719	60,582	778,137	92.78%
Dexter Library	56,958	3,954	53,004	93.06%
Chelsea Library	167,107	12,648	154,459	92.43%
Special Assessments:				
County	66,502	4,973	61,529	92.52%
Township:				
Other	30,569	10,376	20,193	66.06%
Portage and Base Lakes	130,057	10,859	119,198	91.65%
Multi Lake Sewer	<u>262,619</u>	<u>25,121</u>	<u>237,498</u>	90.43%
	\$ <u>8,189,993</u>	\$ <u>574,378</u>	\$ <u>7,615,615</u>	92.99%